

## Message Text

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13-11

ORIGIN IO-13

INFO OCT-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10 ISO-00 AID-05

CIAE-00 INR-07 NSAE-00 L-03 EB-07 TRSE-00 OMB-01

PM-04 NSC-05 SP-02 SS-15 COME-00 ABF-01 /107 R

DRAFTED BY IO/CMD:CENORRIS:LYM

APPROVED BY IO/CMD:PDWYMAN

EUR/SOV;WEDGAR

EUR/EE:CSC;IDT

NEA/AFN:MKING

EUR/CE:JCKORNBLUM

EA/ANP:HTNELSON

----- 064580

R 082017Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY MOSCOW

AMEMBASSY BELGRADE

AMEMBASSY BUDAPEST

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY BERLIN

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

AMEMBASSY ALGIERS

INFO AMEMBASSY ABIDJAN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMEMBASSY THE HAGUE

USMISSION GENEVA

USLO PEKING

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

AMEMBASSY COPENHAGEN

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ABIDJAN FOR MYERSON, ECOSOC DELEGATION

E.O. 11652: GDS

TAGS: UNDP, EAID, UR

SUBJECT: UNDP GOVERNING COUNCIL: PROPOSED SOLUTION TO  
UNDP LIQUIDITY CRISIS THROUGH PURCHASE OF NON-CONVERTIBLE  
CURRENCY

REFERENCES: (A) MOSCOW 10581; (B) GENEVA 5272;  
(C) STATE 158389

1. THIS CABLE RESPONDS TO EMBASSY MOSCOW'S 10581 REQUEST-  
ING DETAILS OF PURCHASE PROPOSAL. THE US WILL BE WILLING  
TO PURCHASE SIGNIFICANT QUANTITIES OF SOVIET RUBLES AS  
WELL AS A NUMBER OF OTHER CURRENCIES IN UNDP'S ACCUMU-  
LATED NON-CONVERTIBLE CURRENCY HOLDINGS UNDER CERTAIN  
CONDITIONS. FIRST, THE NON-CONVERTIBLE CURRENCY PUR-  
CHASES ARE PREDICATED ON US NEEDS. THE US, FOR EXAMPLE,  
WOULD BUY RUBLES FOR DOLLARS FROM UNDP TO USE FOR NORMAL  
US PURPOSES IN THE USSR. NORMAL PURPOSES COULD BE CLAS-  
SIFIED AS ANNUAL EXPENDITURES FOR EMBASSY AND CONSULATES,  
THE BUILDING OF THE PROPOSED NEW CHANCERY, AND CERTAIN  
EXCHANGE PROGRAMS AND EXHIBITS. IN FACT, ANY ACTIVITY  
WHERE THE US GOVERNMENT PAYS FOR GOODS OR SERVICES WITH  
DOLLARS IN THE USSR. SECOND, THE US GOVERNMENT WOULD PUR-  
CHASE THESE NON-CONVERTIBLE CURRENCIES FROM THE UNDP AT  
THE SAME RATES OF

EXCHANGE AT WHICH WE COULD BUY THE CURRENCY IN THE COUNTRY  
OF ORIGIN WITH NO BENEFIT TO PURCHASER AS STATED IN  
REF B, PAGE 3, PARAGRAPH 2 D. THIRD, UNDP NON-  
CONVERTIBLE CURRENCIES WOULD BE USED BY US GOVERNMENT FOR  
NORMAL PURPOSES UNDER THE TERMS OF A BILATERAL AGREEMENT  
TO BE WORKED OUT WITH THE COUNTRIES INVOLVED IN ADVANCE  
OF US PURCHASE OF THESE CURRENCIES.

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2. ALL ACTION ADDRESSES ARE REQUESTED TO EXPLAIN PRO-  
POSAL TO HOST GOVERNMENTS, AND REQUEST THEY INFORM THE  
EMBASSIES IF THEY ARE PREPARED TO ENTER INTO A  
BILATERAL AGREEMENT BASED ON THE PRECEDING INFORMATION.  
KISSINGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INTERNATIONAL ORGANIZATIONS, DEVELOPMENT PROGRAMS, CURRENCIES, ECONOMIC PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE169133  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** CENORRIS:LYM  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760264-0925  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760778/aaaacqjr.tel  
**Line Count:** 112  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN IO  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 MOSCOW 10581, 76 GENEVA 5272  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 31 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <31 MAR 2004 by greeneet>; APPROVED <04 AUG 2004 by CunninFX>  
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**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UNDP GOVERNING COUNCIL: PROPOSED SOLUTION TO UNDP LIQUIDITY CRISIS THROUGH PURCHASE OF NON-CONVERTIBLE  
**TAGS:** EAID, UR, US, UNDP  
**To:** MOSCOW MULTIPLE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006